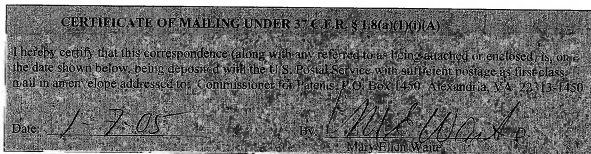


IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Thompson et al.
Serial No.: 09/703,562 Group No.: 3622
Filed: 11/01/2000 Examiner: D. Champagne
Entitled: Methods And Systems For Applying Rebates To Higher Education

**DECLARATION OF MICHAEL THOMPSON PURSUANT
TO 1.132**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450



I, Michael Thompson, state as follows:

1. My present position is CEO of TuitionFund, Inc. I am an inventor of the above referenced application.
2. I have reviewed the Office Action dated October 8, 2004 and the references cited therein (U.S. Pat. Nos. 5,471,669 (Lidman) and 5,056,019 (Schultz)). It is my understanding that the claims have been rejected as obvious in view of these references.
3. The TuitionFund system is distinct from the incentive systems described in the Lidman and Schultz patents. In the TuitionFund system, merchants register with a central Rebate Network Manager that correlates purchases made from merchants belonging to a network with rebates offered in conjunction with the purchases. The Rebate Network Manager does this by monitoring sales of merchants registered with the Rebate Network Manager. Thus, the TuitionFund system is a merchant based incentive system, not a manufacturer based incentive system. I note that merchants and

manufacturers are distinct entities. Webster's Online Dictionary defines merchant as "the operator of a retail business." Manufacturer is defined as "one that manufactures; especially: an employer of workers in manufacturing."

4. Neither Lidman nor Schultz teach the use of a Rebate Network Manager, wherein the Rebate Network Manager is used to monitor sales made by a network of merchants registered with the Rebate Network Manager and also calculates a rebate due from the merchant to a customer utilizing a computer processor located at a location other than the location of the merchant.
5. The Examiner alleges that the cash register 110 and clearinghouse 30 of Lidman provide a Rebate Network Manager as claimed. This is not the case. The clearinghouse does not correlate purchases made by registered customers from merchants belonging to a network with rebates offered by the merchants in the network. The clearinghouse merely serves to reimburse the merchant for the amount of coupons offered by a manufacturer. Column 4, lines 54-57 of the Lidman patent. There is no correlation of purchases by customers and no network of merchants registered with a Rebate Network Manager. Likewise, the cash register does not correlate purchases made by registered customers from merchants belonging to a network with rebates offered by the merchants in the network. There is no correlation function and no network of merchants registered with a Rebate Network Manager. Thus, neither the cash register nor the clearinghouse, alone or combined, provides the functions of the Rebate Network Manager as claimed.
6. The Examiner has cited Schultz for the proposition that the computer processor is located at a location other than the location of a merchant. However, Schultz teaches a system for incentives offered by manufacturers, not merchants. Thus, there is no network of merchants offering a rebate that utilize a Rebate Network Manager and there is no function of correlating purchases made by customers with rebates offered by the merchants in the network.
7. Thus, neither reference cited by the Examiner, alone or combined, provide or utilize a Rebate Network Manager as claimed.
8. In developing the TuitionFund system, I had to address a number of problems with the incentive based systems that were in use. Coupon-based incentive systems

generally suffer from a number of problems, including inconvenience to consumers who must collect coupons and bring them to a store, inconvenience to merchants who must process the coupons, mistakes in accounting by clearinghouses, and failure of manufacturers to honor coupons. Manufacturer based incentive systems also suffer problems including failure to honor incentives that are offered, thus leaving merchants uncompensated. Furthermore, the prior systems did little to develop customer loyalty to retail merchants (such as a grocery store) as opposed to manufacturers.

9. The fact that neither of the patents cited as prior art provide the TuitionFund system as claimed is not surprising. I note that these patents issued in 1995 (Lidman) and 1991 (Schultz). The fact that no merchant based incentive system utilizing a Rebate Network Manager as currently claimed was developed after the issuance of the cited patents is telling. It simply was not recognized that a network of merchants offering rebates separate and distinct from manufacturer rebates could be developed and administered by a central Rebate Network Manager.

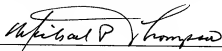
10. As indicated in the Declarations of several merchants that are being submitted herewith, the TuitionFund system solves many of the problems associated with other customer incentive systems that had previously gone unsolved:

- a) the system operates in the background so that retail sales employees do not have to accept and process coupons presented by customers;
- b) the system is easy for customers to participate in because they do not have to save and present coupons or mail-in rebates;
- c) the system allows merchants to directly develop customer loyalty to retail sales outlets without relying on manufacturer incentives and without relying on the manufacturer to honor offered incentives; and
- d) the system allows rebates on total purchases of multiple products as opposed to rebates on particular products from a particular manufacturer.

11. Thus, the accompanying Declarations show that a need for such a merchant-based system had existed for some time and that the system addresses many problems that had previously gone addressed.

12. The accompanying Declarations and data developed during a trial run of the system also demonstrate commercial success. As indicated in the accompanying Declarations, both the consumers using the system and the merchants participating in the network were extremely enthusiastic about the system. Proof of this enthusiasm is borne out by data from the trial of the system, which was conducted in Nashville, TN. Over the 12 week period of the trial, over 9000 customers, 236 brick and mortar merchants and 645 on-line merchants registered with TuitionFund. This strong response over a short period of time certainly indicates the success of the system and the need for such a system. A number of the customers and merchants were subsequently used in the trial and registered with the Rebate Network Manager.

13. I further declare that all statement made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.



Michael Thompson

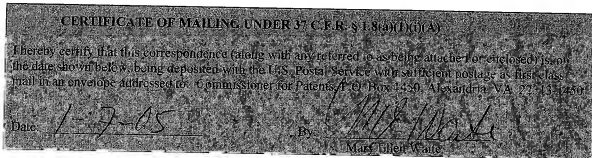
Date: 12-1-04

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DECLARATION PURSUANT TO 1.132

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450



I, Bruce Burnett, state as follows:

1. My present position is President. My business involves the retail sale of goods to consumers.
2. I am familiar with the TuitionFund consumer incentive system. I have participated in a trial of the system wherein I registered with TuitionFund and with a Rebate Network Manager. The Rebate Network Manager tracked sales made to consumers registered with TuitionFund and calculated a rebate due to the consumer. It is my understanding that the rebate amounts were subsequently transferred to a holding account. The rebate amount was calculated on total sales to the consumer and was not limited to products made by a particular manufacturer.
3. To my knowledge, there is no other system previously or currently available in which a merchant such as myself can directly offer a purchase incentive such as a rebate on total purchases that is administered by a Rebate Network Manager.

The TuitionFund system offers substantial advantages over coupon based incentive systems and incentive systems offered directly by manufacturers. First, the system operates in the background so my retail sales employees do not have to accept and process coupons presented by customers. Second, the system is easy for customers to participate in because they do not have to save and present coupons or mail-in rebates. Third, the system allows a merchant such as myself to directly develop customer loyalty to retail sales outlets without relying on manufacturer incentives and without relying on the manufacturer to honor offered incentives. Fourth, the system allows rebates on total purchases of multiple products as opposed to rebates on particular products from a particular manufacturer.

4. I am extremely enthusiastic about the use of this system and the advantages it offers over current incentive systems. Moreover, consumers I have spoken to are extremely enthusiastic about utilizing the system to fund college saving accounts. A need has existed for this type of system for some time, but, to my knowledge, none has been developed.

5. I further declare that all statement made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

 Mercedes Benz of Nashville
(Name of Declarant)

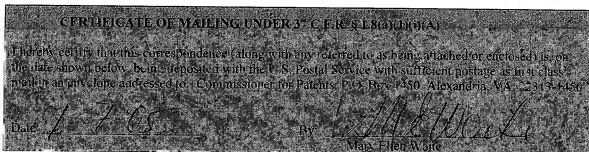
Date: 11/15/04

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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450




I, Salome Luoma, state as follows:

1. My present position is Pre + Owner. My business involves the retail sale of goods to consumers.
2. I am familiar with the TuitionFund consumer incentive system. I have participated in a trial of the system wherein I registered with TuitionFund and with a Rebate Network Manager. The Rebate Network Manager tracked sales made to consumers registered with TuitionFund and calculated a rebate due to the consumer. It is my understanding that the rebate amounts were subsequently transferred to a holding account. The rebate amount was calculated on total sales to the consumer and was not limited to products made by a particular manufacturer.
3. To my knowledge, there is no other system previously or currently available in which a merchant such as myself can directly offer a purchase incentive such as a rebate on total purchases that is administered by a Rebate Network Manager.

The TuitionFund system offers substantial advantages over coupon based incentive systems and incentive systems offered directly by manufacturers. First, the system operates in the background so my retail sales employees do not have to accept and process coupons presented by customers. Second, the system is easy for customers to participate in because they do not have to save and present coupons or mail-in rebates. Third, the system allows a merchant such as myself to directly develop customer loyalty to retail sales outlets without relying on manufacturer incentives and without relying on the manufacturer to honor offered incentives. Fourth, the system allows rebates on total purchases of multiple products as opposed to rebates on particular products from a particular manufacturer.

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5. I further declare that all statement made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.


(Name of Declarant)

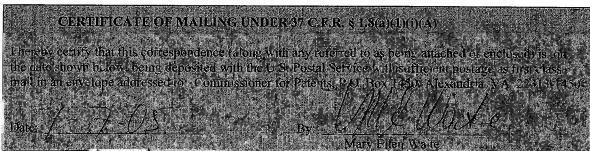
Date: 11/12/04

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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450



1. Kim J. Craw, state as follows:
1. My present position is vice president. My business involves the retail sale of goods to consumers.
2. I am familiar with the TuitionFund consumer incentive system. I have participated in a trial of the system wherein I registered with TuitionFund and with a Rebate Network Manager. The Rebate Network Manager tracked sales made to consumers registered with TuitionFund and calculated a rebate due to the consumer. It is my understanding that the rebate amounts were subsequently transferred to a holding account. The rebate amount was calculated on total sales to the consumer and was not limited to products made by a particular manufacturer.
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The TuitionFund system offers substantial advantages over coupon based incentive systems and incentive systems offered directly by manufacturers. First, the system operates in the background so my retail sales employees do not have to accept and process coupons presented by customers. Second, the system is easy for customers to participate in because they do not have to save and present coupons or mail-in rebates. Third, the system allows a merchant such as myself to directly develop customer loyalty to retail sales outlets without relying on manufacturer incentives and without relying on the manufacturer to honor offered incentives. Fourth, the system allows rebates on total purchases of multiple products as opposed to rebates on particular products from a particular manufacturer.

4. I am extremely enthusiastic about the use of this system and the advantages it offers over current incentive systems. Moreover, consumers I have spoken to are extremely enthusiastic about utilizing the system to fund college saving accounts. A need has existed for this type of system for some time, but, to my knowledge, none has been developed.

5. I further declare that all statement made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Jerry Cornelius
Name of Declarant

Date: 12-9-04